

FRENCH QUARTER FESTIVALS, INC.**NEW ORLEANS, LOUISIANA****FINANCIAL STATEMENTS****AS OF AND****FOR THE YEAR ENDED****DECEMBER 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 20 2013

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
French Quarter Festivals, Inc.
New Orleans, LA

We have compiled the accompanying statement of financial position of French Quarter Festivals, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to French Quarter Festivals, Inc.

November 26, 2012

Ericksen, Krentel & LaPorte, LLP

Certified Public Accountants

FRENCH QUARTER FESTIVALS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

(See Accountants' Compilation Report)

ASSETS:

Cash and cash equivalents	\$ 93,331
Accounts receivable	14,152
Prepaid expenses	2,295
Other current assets	2,043
Investments	331,173
Equipment - net of accumulated depreciation of \$13,599	<u>867</u>
 Total assets	 <u>\$ 443,861</u>

LIABILITIES:

Accounts payable	\$ 2,450
Accrued payroll liabilities	<u>2,831</u>
 Total liabilities	 <u>5,281</u>

NET ASSETS:

Unrestricted	377,330
Temporarily restricted	<u>61,250</u>
 Total net assets	 <u>438,580</u>
 Total liabilities and net assets	 <u>\$ 443,861</u>

FRENCH QUARTER FESTIVALS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

(See Accountants' Compilation Report)

UNRESTRICTED NET ASSETS

Public Support and Other Revenues:

Beverage sales	\$ 741,520
Event income	27,084
Food booth rental	261,705
Merchandise	197,718
Sponsorship	566,431
Advertising income	65,683
Grant income	123,825
Other income	81,814
Revenues released from restrictions	<u>5,000</u>

Total unrestricted public support and other revenues	<u>2,070,780</u>
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Expenses:

Program services	1,468,846
Supporting services.	
Management and general	500,374
Fundraising	<u>26,789</u>

Total supporting services	<u>527,163</u>
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Total expenses	<u>1,996,009</u>
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Net change in unrestricted net assets	<u>74,771</u>
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TEMPORARILY RESTRICTED:

Contributions for periods after December 31, 2011	66,250
Released from restrictions	<u>(5,000)</u>

Net change in temporarily restricted net assets	<u>61,250</u>
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Change in net assets	<u>136,021</u>
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Net assets, beginning of year	<u>302,559</u>
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Net assets, end of year	<u><u>\$ 438,580</u></u>
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FRENCH QUARTER FESTIVALS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

(See Accountants' Compilation Report)

CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:

Change in net assets	\$ 136,021
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:	
Depreciation expense	2,893
Changes in assets and liabilities:	
Decrease in accounts receivable	31,963
(Increase) in prepaid expenses	(2,295)
Decrease in other current assets	54
(Decrease) in accounts payable	(39,356)
(Decrease) in accrued payroll liabilities	(714)
(Decrease) in deferred revenue	<u>(4,500)</u>
Net cash from operating activities	<u>124,066</u>

CASH FLOWS (USED BY) INVESTING ACTIVITIES:

Purchase of investments	<u>(110,040)</u>
Net cash (used by) investing activities	<u>(110,040)</u>
Net increase in cash and cash equivalents	14,026
Cash and cash equivalents, beginning of year	<u>79,305</u>
Cash and cash equivalents, end of year	<u>\$ 93,331</u>

FRENCH QUARTER FESTIVALS, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

We have compiled the financial statements of French Quarter Festivals, Inc. as of and for the year ended December 31, 2011, and have issued our report thereon dated November 26, 2012. We conducted our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We did not audit or review the financial statements and, accordingly, did not express an opinion or provide any assurance about whether the financial statements of French Quarter Festivals, Inc. were in accordance with accounting principles generally accepted in the United States of America.

During our engagement to compile the financial statements, we became aware of the following matter that we have reported to the management of French Quarter Festivals, Inc.

FINDINGS - FINANCIAL STATEMENTS

2011-01 Failure to Timely File Compiled Financial Statements

Condition – The Organization failed to submit its annual report to the Louisiana Legislative Auditor's office within six months of the close of its fiscal year on December 31, 2011.

Criteria – Louisiana Revised Statute 24:513 requires entities receiving governmental funds in Louisiana to submit an annual report to the Louisiana Legislative Auditor's office within six months of the close of the entity's fiscal year.

Effect – The Organization failed to comply with the timely filing requirements of Louisiana Revised Statute 24:513.

Cause – In previous years the Organization did not receive the level of funding which would require the filing of their reports as outlined in Louisiana Revised Statute 24:513. Because of the Organization's unfamiliarity with Louisiana Revised Statute 24:513, the Organization was unaware of its filing obligation and failed to submit its financial report in a timely fashion

Recommendation – The Organization should designate an individual to become knowledgeable with the filing requirements and to monitor compliance with the submission of reports required under Louisiana Revised Statute 24:513.

Response - See Management's Corrective Action Plan for their response.



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Marci Schramm, Executive Director

Honorary Co-Chairs

Mitchell J. Landrieu, Mayor
Kristin Gieson Palmer,
Councilmember District C

Executive Committee

Alex I. Lewis, III, President
Ann Wills, Vice President
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Jeremy Thibodeaux, Secretary
Deborah J. Moench,
Immediate Past President

Producers of



CHRISTMAS
NEW ORLEANS STYLE

November 26, 2012

Louisiana Legislative Auditor

French Quarter Festivals, Inc. (Organization) respectfully submits the following corrective action plan for the year ended December 31, 2011.

Name and address of public accounting firm:

Ericksen, Krentel & LaPorte, L L P.
4227 Canal Street
New Orleans, Louisiana 70119
Contact: Claude M Silverman, CPA

Reporting: 01/01/2011 to 12/31/2011

Our response to the Schedule of Findings reported in connection with our December 31, 2011 financial statements is discussed below.


2011-01 Failure to Timely File Compiled Financial Statements

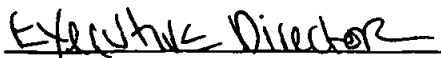
Recommendation: The Organization should designate an individual to become knowledgeable with the filing requirements and to monitor compliance with the submission of reports required under Louisiana Revised Statute 24.513.

Response: The Organization has designated an individual, Business Manager David Stover, to become knowledgeable with the filing requirements and to monitor compliance with the submission of reports required under Louisiana Revised Statute 24.513.

If there are any questions regarding this plan, please call Marci Schramm at (504) 522-5730.

Sincerely,


Signature


Title